

***United States Court of Appeals
for the Second Circuit***



**APPELLANT'S
BRIEF**

ORIGINAL
WITH PROOF
OF SERVICE

75-7031

UNITED STATES COURT OF APPEALS

for the

SECOND CIRCUIT

HOWARD BERSCH,

Plaintiff-Appellant,

v.

DREXEL FIRESTONE, INC., DREXEL HARRIMAN RIPLEY, BANQUE
ROTHSCHILD, HILL SAMUEL AND CO., LIMITED, GUINNESS MAHON
& CO., LIMITED, PIERSON, HELDRING & PIERSON, SMITH BARNEY
& CO., INCORPORATED, J. H. CRANG AND CO., INVESTORS
OVERSEAS BANK LIMITED, ARTHUR ANDERSEN & CO., I.O.S.,
LTD. and BERNARD CORNFELD,

Defendants.

J. H. CRANG & CO.,

Appellee.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF NEW YORK

BRIEF OF THE PLAINTIFF-APPELLANT

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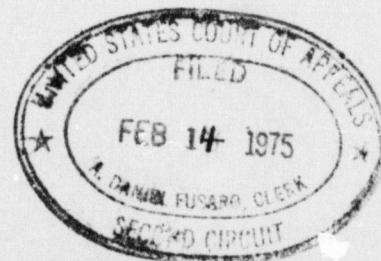


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No. 75-7031

HOWARD BERSCH, Plaintiff-Appellant,

v.

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OVERSEAS BANK LIMITED, ARTHUR ANDERSEN & CO., I.O.S.,
LTD., and BERNARD CORNFELD, Defendants.

J. H. CRANG & CO., Appellee

Appeal from the United States District Court for the
Southern District of New York

BRIEF OF THE PLAINTIFF-APPELLANT

PRELIMINARY STATEMENT

The Honorable Robert L. Carter, District Judge of
the United States District Court for the Southern District
of New York, ruled that the court lacked personal juris-
diction over defendant J. H. Crang & Co. Judgment dis-
missing plaintiff's claim for relief as against J. H. Crang

for lack of personal jurisdiction was entered on December 4, 1974. Plaintiff appeals from that judgment.

On February 3, 1975, the Honorable William Hughes Mulligan granted Appellee Crang's motion to consolidate the appeal herein with the appeal by defendants Arthur Andersen & Co., I.O.S., Ltd. and Bernard Cornfeld previously allowed in 75-7055, which seeks to reverse the District Court's determination that it had subject matter jurisdiction.

ISSUE PRESENTED FOR REVIEW

Has the plaintiff established, prima facie, personal jurisdiction in the District Court over a foreign broker in connection with a cause of action arising under the federal securities laws, where during the relevant period:

1. The broker was registered as a broker-dealer with the Securities and Exchange Commission.
2. The broker's managing partner made trips to the United States to solicit business.
3. The broker regularly engaged in securities transactions with and for United States residents.
4. The broker sold shares of stock of United States residents in the challenged transaction.

5. The broker acted in the United States in connection with and in furtherance of the challenged transaction.

STATEMENT OF FACTS

Introduction

Plaintiff will concentrate in this statement on those facts he deems relevant to the issue of personal jurisdiction. For a full factual presentation of this case, plaintiff respectfully refers this court to the brief of plaintiff-appellee submitted in reply to the briefs of those defendants challenging the ruling of the Court below with respect to subject matter jurisdiction. (75-7055).

Nature of Action and Parties to This Appeal

This action was commenced against defendant Crang and others by plaintiff Bersch, an American citizen who purchased shares of stock issued by I.O.S., Ltd. (IOS) at the Public Offering of such stock in 1969 (Public Offering). The action was commenced as a class action on behalf of all persons who purchased at the Public Offering. The complaint

alleges violations of the Securities Act of 1933 (Securities Act) and the Securities Exchange Act of 1934 (Exchange Act). Jurisdiction is premised upon §22 of the Securities Act [15 U.S.C. §77(v)] and §27 of the Exchange Act [15 U.S.C. §78(aa)].

The Public Offering, although divided into separate segments was, as found by the court below, a "unified transaction" (256 A) constituting a total offering of 11,000,000 shares. Defendant Crang was a Canadian broker heading the Canadian underwriting group which sold 1,450,000 shares of IOS stock.

Basis of Personal Jurisdiction:
Crang Contacts with the United States

Defendant Crang had had a continuing relationship with the United States prior to its participation in the Public Offering.* At the time of that offering, it was registered as a broker-dealer with the Securities and Exchange Commission (SEC). In connection with that registration, it executed a consent to service upon the SEC in certain actions alleging violations of the securities laws which arise out of or are connected with its business as a broker.**

* Rook v. Crang, 182 F. Supp. 388 (S.D.N.Y. 1960).

** A copy of the registration statement is reproduced in an addendum to this brief. Judicial notice may be taken of official documents, such as Crang's registration as a broker-dealer with the SEC and its designation of the SEC as agent for service of process. Barrett v. National Malleable & Steel Castings Co., 68 F. Supp. 410 (W.D. Pa. 1946); Alaskan Airways Co. v. Wien, 8 Alaska 179 (1930).

Crang performed services for clients resident in the United States on a regular basis. During a two-year period, 1969-1971, Crang earned approximately \$50,000 as a result of such services. (15 PA).^{*} Additionally, Crang performed services for clients in connection with transactions over United States exchanges through United States brokerage houses which were member firms. Crang performed such services as an accommodation to its customers and charged no commissions thereon. (154 A).

Murray Howe, a managing partner in Crang and its President in 1970, (Howe) visited New York on business regularly. In 1969, Howe made four or five trips to New York City to "drum up business" on behalf of Crang. (18a-4 PA). Howe testified that while in New York he called on certain firms "who we do American business with." (18a-2 PA) Such firms included Laidlaw, Morgan Stanley, Arthur Lipper and Grace Canadian Securities. (18a-2, 18a-3, 18a-4 PA).

In addition to its regular business activities within the United States, Crang performed acts within the United States in furtherance of the Public Offering. Howe met on two separate occasions with Cowett of IOS and discussed Crang's participation in the proposed underwriting. At the meetings, the major aspects of the offering were discussed

^{*} "PA" refers to plaintiff's appendix; "A" refers to the appendix submitted by defendants-appellants in appeal No. 7055. As noted, supra, the appeals have been consolidated.

and at the conclusion of the first meeting, Howe indicated that Crang intended "to proceed immediately with the first draft of the prospectus." (120 PA).

Grayson Murphy, Esq. (Murphy) of Shearman & Sterling, attorneys for defendant Drexel Firestone, Inc., called Crang from New York City with respect to the prospectus on two occasions. Murphy informed Howe and Crang's attorneys that the SEC had advised that a sale to some American citizens would bring the offering within the anti-fraud provisions of the securities laws. (355-356 PA).

The prospectus prepared by Crang was sent to New York City. Defendant Bersch has stated that he read the prospectus in New York before the purchase of his shares (46 A), and would not have purchased IOS stock if he had "even suspected that the prospectuses were false and misleading." (73 A). He further stated that he deemed important the fact that a firm such as J. H. Crang & Co. was underwriting the offering. (74 A).

The Canadian portion of the Public Offering sold shares purchased by Crang from Americans. Edward M. Cowett (Cowett) acted on behalf of the American sellers, the majority of whom were United States residents. (189 A).

The Ruling Below

The court below found that it lacked in personam jurisdiction over defendant Crang because the latter had "no office, bank accounts, telephone listings, subsidiaries or affiliates in the United States" (272 A) and had no salesmen here. It further deemed the meetings of Cowett and Howe within the United States de minimis. The Court also found that the Crang prospectus was sent to the United States after the plaintiff's purchase. (273 A).

Plaintiff submits that the ruling of the Court below was in error, both in respect to factual findings and conclusions of law.

THE ARGUMENT

THE COURT HAS PERSONAL JURIS- DICTION OVER DEFENDANT CRANG

Plaintiff has alleged the violation by defendant Crang of certain provisions of the Exchange Act.* Pursuant to §27 of that statute, jurisdiction may be asserted "over foreigners not present in the United States." This court has held "that Congress meant §27 to extend personal jurisdiction to the full reach permitted by the due process clause."** Accordingly, the question presented upon this appeal is whether maintenance of this suit conforms with "traditional notions of fair play and substantial justice." *** Plaintiff submits, as more fully discussed below, that it does.

The Supreme Court in International Shoe articulated the due process test in terms of "certain minimum contacts" with the forum state. Although that case involved the judicial criteria which states might employ in asserting jurisdiction over foreign corporations, the International Shoe formula has been deemed the appropriate one in federal

* Violation of the Securities Act is also alleged.

** Leasco Data Processing Equipment Corp. v. Maxwell, 468 F.2d 1326, 1339 (2d Cir. 1972).

*** International Shoe Co. v. Washington, 326 U.S. 310, 316 (1945) The "fairness of jurisdiction" is applicable to foreign parties as well as citizens of this country. United States v. Montreal Trust Co., 35 F.R.D. 216 (S.D.N.Y. 1964).

jurisdictional disputes.*

In McGee v. International Life Insurance Co., 355 U.S. 220 (1957), the Court applied the "minimum contacts" requirement, holding that the issuance of a single life insurance policy by a Texas corporation to a California resident was sufficient to establish personal jurisdiction. The expansion of the scope of jurisdiction over foreign corporations was noted, resulting, said the Court, from the "fundamental transformation of our national economy over the years." 355 U.S. at 222.

In Hanson v. Denckla, 357 U.S. 235 (1958), the Supreme Court reaffirmed the "flexible standard of International Shoe" and the "minimum contacts" test,** but imposed the requirement of some purposeful act performed by the defendant within the forum state. ***

* This court has previously held that the New York state standard and the "federal standard" are "identical or nearly so." Arrowsmith v. United Press International, 320 F.2d 219, 230 (2d Cir. 1963).

** at 251.

*** The purposeful action test has been termed "merely a baseline requirement, designed to insure that the defendant has been involved with the forum state through actions freely and intentionally done." In-Flight Devices Corp. v. Van Dusen Air, Inc., 466 F.2d 220, 228 (6th Cir. 1972).

The precise contours of the "contacts" necessary for the assertion of jurisdiction have not been honed in International Shoe, Hanson or elsewhere. In fact, "[t]he flexibility of the terms deliberately chosen by the Supreme Court in International Shoe precludes the possibility that definitive standards can be created"* and, accordingly, each case turns upon its own particular facts. However, guidelines have been suggested by various authorities. The Restatement (Second) of Conflict of Laws, §27, lists eleven bases for the exercise of jurisdiction. Of these, two which have been previously utilized by this Court** are applicable herein:

1. Doing business in the State, §35.
2. An act done in the state, §36.

Each will be separately discussed below.

A. Defendant Crang Does Business in the State

One of the basic tools utilized by the courts in determining jurisdiction has been the "doing business" concept. In Leasco, this court found that doing business in

* In-Flight Devices Corp. v. Van Dusen, Inc., supra, at 236.

** See, Leasco Data Processing Equipment Corp. v. Maxwell, supra.

the forum state* constitutes a proper basis for the exercise of federal jurisdiction. However, the actual measure of doing business has engendered much judicial controversy and it is difficult to glean any precise rule from the decided cases. Thus, "we must step from tuft to tuft across the morass."**

The courts have for many years attempted to determine what constitutes "doing business." However, most cases involve the interpretation of state statutes, which assert in most instances, tests less broad than the so-called "federal" jurisdictional standard. The basic federal guidelines were established in International Shoe, where the Supreme Court held that a corporation may be deemed to be doing business on the basis of minimum contacts with the forum state, so long as the assertion of jurisdiction does not violate the due process requirement. Such contacts should be sufficient to "make it reasonable, in the context of our federal system of government, to require the corporation to defend the particular suit which is brought there." 326 U.S. at 317.

* The term "state" in this context refers to the United States. If Crang were a United States resident, nationwide service of process requirements would be applicable. Mariash v. Morrill, 496 F.2d 1138 (2d Cir. 1974). Actions anywhere in the United States are sufficient to confer personal jurisdiction, since the federal securities laws are national in scope.

** Hutchinson v. Chase & Gilbert, 45 F.2d 139, 142 (2d Cir. 1930).

The Court in International Shoe held that the criteria for determining those activities "which justify the subjection of a corporation to suit"* cannot be merely mechanical or quantitative. Rather, such criteria should evaluate the nature and quality of the activities upon which jurisdiction is sought to be asserted. Accordingly, the principal question remains as to what activities of the defendant will be recognized as "doing business" for the purpose of asserting in personam jurisdiction within the confines of the International Shoe test.

Since the "doing business" concept has both qualitative and quantitative facets, business activity which is regular has generally been held to meet the test. However, where the conduct of business is not systematic, the courts have had more difficulty in eliciting a qualitative standard, i.e., determining what particular kinds of business activity meet the "doing business" requirement. In general, however, the courts have found that business activity directed at a corporate purpose subjects the corporation to the jurisdiction of the court, and various degrees of activity have been held

* at 319.

to constitute a sufficient amount. Plaintiff contends that the business activities of defendant Crang within the United States are of sufficient quantity and importance to render it subject to this Court's jurisdiction.

1. Crang was a registered broker-dealer at the time of the alleged wrong and the institution of this lawsuit

Crang was registered as a broker-dealer with the SEC under the Exchange Act at the time of the challenged transaction and at the time the present suit was initiated.* A broker is defined by the Exchange Act as "any person engaged in the business of effecting transactions in securities for the account of others", §3(a)(4); 15 U.S.C. §78c(a)(4) while a dealer is "any person engaged in the business of buying and selling securities for his own account," §3(a)(5); 15 U.S.C. §78c(a)(5).

* See Addendum to this Brief.

§15(a)(1) of the Exchange Act, 15 U.S.C. §78o(a)(1), requires the registration of broker-dealers effecting transactions over the counter:

"No broker or dealer (other than one whose business is exclusively intrastate) shall make use of the mails or of any means or instrumentality of interstate commerce to effect any transaction in, or to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) otherwise than on a national securities exchange, unless such broker or dealer is registered in accordance with subsection (b) of this section."

Any foreign broker-dealer who uses the mails or any means or instrumentality of interstate commerce to effect over-the-counter transactions in a security or induce its purchase or sale is required to be registered. In determining whether a broker-dealer must register, emphasis is placed upon the physical location of its buying and selling customers. Since no broker-dealer is required to register unless it uses the mails or instrumentalities of interstate commerce for securities transactions, the filing of an application for registration has been regarded as evidence of interstate business. *

* Securities Exchange Act Release 721 (1936).

The act of registration, in and of itself, is deemed a sufficient constitutional basis for the regulation of registered broker-dealers. By registering, the broker-dealer submits to extensive federal supervision, including comprehensive regulation by the SEC relating to such matters as the maintenance of records, the filing of reports, extension of credit, confirmation practices and inspection by the SEC.

In addition, each registered broker-dealer is required to furnish the SEC a written irrevocable consent which designates that Commission as agent upon whom process may be served with respect to certain actions alleging securities violations which arise out of or are connected with the conduct of such broker-dealer's business as a broker-dealer. Rule 15b1-5; 17 C.F.R. §240.15b1-5. Defendant Crang executed a consent to the service of process upon the SEC which was operative during the relevant period. Such a consent to service of process has been deemed an important jurisdictional factor. "The court in Bagdon v. Philadelphia & Reading C. & I. Co., 217 N.Y. 432, 436, 437, 111 N.E. 1075, 1076, L.R.A. 1916F, 207, Ann. Cas. 1918A, 389, described the designation of an agent for service as, 'a true contract. * * * The contract deals with jurisdiction of the person.

It does not enlarge or diminish jurisdiction of the subject-matter. It means that, whenever jurisdiction of the subject-matter is present, service on the agent shall give jurisdiction of the person.'"*

In Perkins v. Benguet Consolidated Mining Co., 342 U.S. 437 (1952), the Supreme Court held that corporate activities of a foreign corporation in the forum which under statute "make it necessary to secure a license and to designate a statutory agent upon whom process may be served provide a helpful but not conclusive test" in applying the reasoning of International Shoe.** The court further held that where the foreign corporation had "minimum contacts" sufficient to satisfy the due process requirements, the cause of action need not have arisen from such contacts. Accordingly, plaintiff submits that the defendant Crang's registration in the United States as a broker-dealer and its consent to service upon the SEC, while perhaps not conclusive, are, nevertheless, evidence of "minimum contacts" which should be accorded significance in the court's consideration of the defendant's connection to the forum community.

* California Stucco Products of N.E., Inc. v. National Gypsum Co., 33 F. Supp. 61, 64 (D. Mass. 1940).

** at 445.

2. Defendant Crang Carried On a
Business with United States
Customers

The defendant Crang carried on a business with United States securities customers. Over a two-year period, 1969 to 1971, commissions earned by Crang on United States business totalled approximately \$50,000. (15-18 PA). The record indicates that such business was "continuous and systematic", since commissions were earned in virtually every month during the relevant period.*

Additionally, the deposition of Murray Howe, a partner of defendant Crang, and its President in 1970, reveals that during the year 1969, on behalf of Crang, he came to New York City on business four or five times. (18a-1 PA). Howe further testified that his main reason for coming to New York was to call on some of the firms "who we do American business with". (emphasis added). These firms included Laidlaw, Morgan Stanley, Arthur Lipper and Grace Canadian Securities, all of whom were contacted in an effort to "drum up business". (18a-2, 18a-3, 18a-4 PA).

* Crang also did business on United States securities exchanges for its Canadian customers through members firms in the United States. Although Crang did not keep commissions on those transactions, they, nevertheless, constitute part of its business activities and service to customers and, at the least, general good will of value with respect to other aspects of its business function.

Although discovery dealt mainly with the contacts of Crang with the United States during 1969, that defendant had had continuing contacts with the United States. As far back as 1956, it transacted a business in securities involving "contacts with the United States sufficient to give [a federal] Court jurisdiction."*

Plaintiff submits that the acts of Murray Howe, "drumming up business" in the United States, coupled with the regular rendition of services to United States customers constitute sufficient contacts to meet the International Shoe test. While the record is unclear as to the extent of Crang's actual activity in the United States, it would appear unquestioned that in addition to the acts of Howe, Crang's other activities and contacts with United States residents required the use of the United States mails and other instruments of interstate commerce.

The courts have recently attempted to define the "minimum contact" required for "doing business" in the context of various types of corporate functions.** In SEC v. Myers, 285 F. Supp. 743 (D. Md. 1968), the court held

* Kook v. Crang, 182 F. Supp. 388, 390 (S.D.N.Y. 1960).

** See, e.g., Scanapico v. Richmond F. & P. R. Co., 439 F.2d 17 (2d Cir. 1970) (A railroad company), and Jetco Elec. Indus. Inc. v. Gardiner, 473 F.2d 1228 (5th Cir. 1973) (an independent testing laboratory).

2 Form, PD

that a registered investment adviser, a Canadian citizen who engaged in the business of investment advising in the United States from Canada, carried on a business in the United States and, accordingly, personal jurisdiction could properly be exercised. The court noted that the analysis of the court in International Shoe was directed toward "the totality of circumstances in the particular area." It deemed significant, qualitatively, the fact that the defendant's activities in the United States were "subject to extensive and rigid regulatory control", stating that such special regulation "provides grounds for the exercise of jurisdiction," citing Hanson v. Denckla in support. at 749.

The court found that the defendant had "purposefully availed himself of the privilege of conducting his investment-advising business in this country* with all the benefits and rewards which flow therefrom." at 749. Plaintiff submits that the principles enunciated by the court in SEC v. Myers are equally applicable to the facts of the instant case.

Not only did Crang render services to United States citizens on a regular basis, but the challenged

* The court noted that the defendant's clients were in the United States and that although deposited his materials in the Canadian mail, they were ultimately transmitted "through the United States mail and the facilities thereof." at 747.

transaction involved the sale by Crang of IOS shares owned by Americans residing in the United States. Under an agreement made between Crang and a number of IOS shareholders, Crang agreed to purchase shares of the common stock of IOS and, in fact, the Crang prospectus offered 1,450,000 common shares of IOS on behalf of shareholders of that company, a large percentage of whom were Americans residing in the United States. The prospectus reveals that ten of the IOS selling share holders owned 2,380,808 shares of common stock prior to the offering. Of these, almost all were Americans and many were United States residents. There were, in addition, 480 other selling shareholders, and included in this group were Robert Sutner, Hy Feld, Howard Stamer and Robert Haft, who were United States residents. (See 74 A, 189 A). Edward M. Cowett acted on behalf of the American sellers and was empowered to act by powers of attorney, copies of which were delivered to Crang by the persons named in Schedule A to the underwriting agreement. (252 PA).

Thus, plaintiff contends that defendant Crang was "doing business" with United States residents having solicited here and rendered services to customers here. While it has generally been held that mere solicitation of profit making transactions is not a sufficient basis for personal jurisdiction,

slight additional activity is required to subject the non-resident corporation to personal jurisdiction. The discernable trend to a broad construction of the term "doing business" is reflected in the decision of the Supreme Court in McGee v. International Life Ins. Co., supra, where the issuance of a single life insurance policy was held sufficient to sustain jurisdiction.

The court in Hanson v. Denckla, supra, distinguished McGee, emphasizing that the contact with California in that case was a result of the purposeful activity of the defendant, who initiated the transaction by mailing the insurance solicitation to California. The Court also noted that the corporate activity in McGee, insurance, was subject to special regulation and treated as exceptional by the state. While it is true that the court in Hanson made clear that McGee does not herald the removal of "all restrictions" on personal jurisdiction, the latter case does represent a significant development in the law with respect to jurisdiction, indicating the increasing decisional trend toward the acceptance of jurisdiction on the basis of minimal or even isolated

events or transactions which are of sufficient consequence.* Without doubt the most significant developments in modern thinking and practice respecting jurisdiction concern the increasing acceptance of specific jurisdiction based on isolated events or episodes.**

In Pugh v. Oklahoma Farm Bureau Mutual Ins. Co., 159 F. Supp. 155 (E.D. La. 1958), a foreign corporation was held amenable to suit in Louisiana solely on the basis of the issuance by it of an insurance policy to an insured who was involved in an accident in Louisiana. Thus, the only connection with the forum state was the fact that the accident covered by the insurance policy took place in Louisiana. Nevertheless, the court upheld jurisdiction which had been

* In a decision predating McGee and Hanson, this Court upheld jurisdiction of the Tennessee courts over a New York corporation having no property, office or employees in Tennessee, which issued an insurance policy to a Kentucky resident who later moved to Tennessee. Schutt v. Commercial Travelers Mutual Accident Assn., 229 F.2d 158 (2d Cir.) 1956), cert. denied 351 U.S. 940 (1956). Under the applicable state statute, "doing business" was defined as "the doing in this state by such company of any act whatsoever, whether interstate or intrastate in nature, including the soliciting, making or delivering of insurance contracts in Tennessee, by agent, mail or otherwise." at 161. The continued validity of Schutt is recognized by the Restatement 2d, §37 Reporter's Note to Comment (a) which cites Schutt for the proposition that special regulation by the state of the activity involved is of significance.

** Atlantic Tubing & R. Co. v. International Engraving Co., 364 F. Supp. 787 (D. R.I. 1973).

challenged on constitutional grounds. The court reiterated the holding of International Shoe that "the test as to sufficiency of contact with the state is neither mechanical nor quantitative" and stated that "[t]he commission of a single act or the existence of a single circumstance may be sufficient to render the company liable to suit within the state." at 158.

Accordingly, plaintiff submits that in light of the courts' continued liberalization of the "minimum contacts" requirement, the business activities of defendant Crang within the United States were of sufficient quantity and significance to subject it to jurisdiction here within the traditional notion of fair play and substantial justice.

C. Crang Acted Within the United States With Respect to the Challenged Transaction

As plaintiff has shown in "A", supra, Crang had minimum contacts with the United States related to the doing of business here. Additionally, Crang purposefully performed acts within the United States in furtherance of the IOS public offering. Murray Howe met in New York on two separate occasions with Cowett of IOS and discussed

Crang's participation in the proposed offering. Those meetings occurred in April and July, 1969. (62 PA, 359 PA). A letter from Howe to Cowett, dated May 13, 1969 (119-120 PA), arising out of the meeting reveals that the April meeting was for the purpose of discussing the proposed IOS offering and that a great deal of ground was covered by the discussion, including number of shares, allotment, managing underwriters, underwriting agreement, option problem, exchange listings, capitalization of new corporate vehicle, terms of the public offering, dividend policy restrictions concerning the IOS option plan and the timing of the issue. Apparently, enough was accomplished that Howe indicated an intention "to proceed immediately with the first draft of the prospectus." (120 PA). Clearly, the meetings were not, as deemed by the Court below, "de minimis".

Additionally, Grayson Murphy called Crang to advise it of the SEC's position that sales to Americans would bring the transaction within the anti-fraud provisions of the securities laws. A second telephone call was made by Murphy to Crang's attorneys with respect to the prospectus. (356-357 PA).

Finally, the Crang prospectus was mailed to the United States. Although there is a dispute as to the date of such mailing, the plaintiff has stated that the Crang

prospectus was available in New York City and read there by him prior to his purchase of stock in 1969.* (72-74 A).

Thus, it is clear that the defendant Crang engaged in purposeful acts in the United States. Additionally, that it was advised of the SEC's position that sales to Americans would make the anti-fraud provisions of the Exchange Act applicable to registered broker-dealers. The record indicates that Crang was well aware of the integrated nature of the over-all offering. In his letter of May, 1969, to Edward Cowett, Murray Howe refers to a single issue, asking "to distribute \$10,000,000 of the anticipated \$96,000,000". (119 PA). In a memo to partners, branch managers and representatives of Crang, Howe refers to "the offering" of common shares of IOS, stating that the new issue will be offered in Canada, the United Kingdom, Europe and other countries. (161 PA). The court below found that as the offering took shape, the "underwriters appear to have been acutely aware of their ties to each other's segment of the transaction." (258 A). Grayson Murphy, in requesting a

* Although plaintiff subscribed for stock on September 3, 1969, his actual purchase took place on September 24, 1969. (47 A-2A). For purposes of a motion to dismiss, the allegations of the complaint and affidavits and exhibits in support thereof are taken as true, Gardner v. Toilet Goods Ass'n, 387 U.S. 167 (1967); Murray v. City of Milford, 380 F.2d 468 (2d Cir. 1967). Accordingly, the court erroneously stated that the Crang prospectus was mailed to New York after the plaintiff's purchase.

meeting with the SEC, treated the offering "as a unitary one" and transmitted to Crang the SEC's position vis-a-vis the anti-fraud provisions of the Exchange Act. (194-195 A; 356 PA). Accordingly, although Crang, itself, took steps to avoid sales by it to United States citizens, it was on notice that, at the least, sales to Americans by fellow participants might subject Crang, a registered broker-dealer, to the jurisdiction of the United States.

Thus, it is clear that the defendant Crang performed acts within the United States with respect to the IOS offering. What kind of acts* in a state will afford a basis for jurisdiction has not been clearly established. However, Hanson v. Denckla, supra, makes clear that an act which is subject to regulation by the state will give the state where it is done jurisdiction over the actor. Since plaintiff contends that the IOS offering was subject to regulation by the federal securities laws, the acts of Crang in furtherance of that offering subject it to United States jurisdiction.**

* The Supreme Court in International Shoe, in discussing jurisdiction with respect to suits against foreign defendants, does not require that jurisdictional acts give rise to the suit in question. The Court uses the language "arising out of or connected with the activities within the state." 326 U.S. at 319. (Emphasis added).

** See, e.g., Travis v. Anthes Imperial Ltd., 473 F.2d 515 (8th Cir. 1973).

In any event, the acts of Crang in the United States, even if deemed non-tortious, were connected with the instant suit and were of sufficient significance to base judicial jurisdiction. In such a case, jurisdiction can be asserted when this would be reasonable. The question of reasonableness requires a consideration of the totality of the defendant's contact with the forum state. Convenience of the parties is also a factor in the reasonableness test. Plaintiff submits that viewing the totality of Crang's contact with the United States, it is not unreasonable to require Crang to defend this action in the United States. Nor would Crang suffer inconvenience by such defense of such a nature as to constitute a violation of due process of law.* Any burden of Crang of defending in New York** would be "slight in this age of cheap long distance telephone rates, efficient methods for copying documents and jet air transport."***

* The Supreme Court has held the convenience factor to be of minute importance. McGee v. International Life Ins. Co., supra, at 224.

** Crang already has distinguished New York counsel.

*** Bruns, Nordeman & Co. v. American National Bank & Trust Co., 394 F.2d 300, 302-303 (2d Cir. 1968).

Accordingly, plaintiff has met his burden with respect to the jurisdictional issue. On a motion to dismiss, plaintiff need only establish threshold jurisdiction.* Although plaintiff has the ultimate burden of sustaining jurisdiction upon a trial, only a "prima facie showing" is required upon a preliminary motion.** Applying the flexible formula of International Shoe and Hanson, threshold jurisdiction over Crang has been established in the District Court.

* See, United States v. Montreal Trust Co., 358 F.2d 239 (2d Cir. 1966).

** Block Industries v. DHJ Industries, Inc., 495 F.2d 256 (8th Cir. 1974).

SEC. USE

CONCLUSION

Crang's contacts with the United States were sufficient in quantity and quality to meet the "minimum contact" test and subject that defendant to the jurisdiction of the District Court. Plaintiff has established a prima facie jurisdictional case and, accordingly, the ruling of the court below dismissing the complaint herein should be reversed.

Dated: New York, New York
February 14, 1975

Respectfully submitted,

Silverman & Harnes

SILVERMAN & HARNES
Attorneys for Plaintiff-Appellant
75 Rockefeller Plaza
New York, New York 10019

Joan T. Harnes
Of Counsel

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON 25, D.C.

8-5164

6-5

FORM BD

UNDER THE SECURITIES EXCHANGE ACT OF 1934

FORM OF APPLICATION FOR REGISTRATION AS A BROKER AND DEALER OR
TO AMEND OR SUPPLEMENT SUCH AN APPLICATION

J.H. CRANG & CO.

(Name of Registrant - see Definitions on last page)

Canada	40 Adelaide St. W.	Toronto	Ontario
(Principal Place of Business	Street Address	City	State)

Check appropriate box to indicate purpose for which form is being used:

- A. THIS IS AN APPLICATION FOR REGISTRATION AS A BROKER-DEALER
FILED BY THE BROKER-DEALER NAMED ABOVE.

☒

Instructions: If (1) such broker-dealer is a partnership succeeding to and continuing the business of a broker-dealer partnership registered when this application is filed and (2) the predecessor partnership has filed its application or supplement to such application on this form - then registrant shall furnish only such information as is necessary to correct the information contained in the application of the predecessor, and the supplements and amendments thereto, which shall be deemed to be incorporated in this application by reference. Unless both conditions (1) and (2) are met, all items in this form should be answered in full.

- B. THIS IS AN APPLICATION FOR THE REGISTRATION OF THE BROKER-DEALER NAMED ABOVE, WHICH IS NOT YET FORMED OR ORGANIZED, AND IS FILED ON BEHALF OF SUCH BROKER-DEALER BY ITS PREDECESSOR. ☐

Instructions: The information furnished in the form should relate to the broker-dealer successor to be formed or organized. All items should be answered. (If the broker-dealer successor has already been formed or organized, the application should be filed by the successor - see A above.) Notes: Section 15(b) of the Act and Rule X-15B-3 provide that any such registration shall terminate on the forty-fifth day after the effective date unless prior thereto the successor shall adopt this application as its own.

- C. THIS IS AN AMENDMENT TO AN APPLICATION FOR THE REGISTRATION OF THE BROKER-DEALER NAMED ABOVE. ☐

Instructions: This should be checked when this form is used to correct any information contained in an application for registration previously filed on this same form, or in any supplement or amendment previously filed on this same form. When used under these circumstances only the corrected information need be furnished.

If the application for registration was filed on any other form and a supplement to such application on this form has not yet been filed (see D below) then such a supplement should be filed on this form in lieu of the amendment.

- D. THIS IS A SUPPLEMENT TO AN APPLICATION FILED ON ANOTHER FORM BY OR ON BEHALF OF THE BROKER-DEALER NAMED ABOVE. ☐

Instructions: D should be checked when this form is submitted pursuant to Rule X-15B-2(a) to supplement an application filed on any other form. When used for this purpose all items in the form should be answered in full.

SEE LAST PAGE FOR GENERAL INSTRUCTIONS, DEFINITIONS, ETC.

U.S. SECURITIES &
EXCHANGE COMMISSION
RECEIVED
May 15, 1956
4th Mail
Docket, Mail & Files

- (a) Name under which business is to be conducted: J. H. Grang & Co.
- (b) If registrant is the successor to the business of another broker or dealer, give the name and address of the predecessor and the date of succession:

- (c) Form of organization (sole proprietorship, corporation, partnership or an unincorporated organization or association which is not a partnership):

Inapplicable

Partnership

If sole proprietorship, furnish the full name of proprietor, and his residence address:

Not applicable.

If a corporation, furnish

- (a) the state and date of incorporation:
- (b) the full name and title of each officer and director, and of every other person occupying a similar status or performing similar functions:

Not applicable

- (c) the full name of each person who, directly or indirectly, is the beneficial owner of 10% or more of any class of any equity securities of such corporation, indicating the class of such equity securities:

If a partnership, furnish the full name of each partner (special or limited partners should be so designated) and the residence address of each general partner who does not reside within the United States:

James Harold Crang

40 Burton Road, Toronto, Canada

Eric Duff Scott

66 Admiral Road, Toronto, Canada

Laurance Lisle Masson

230 Heath Street East, Toronto, Canada

Donald Irving Webb

68 Mason Blvd., Toronto, Canada

Dennis Algernon Fitzgerald

366 Old Yonge St., Toronto, Canada

Gordon Consaul Donley

363 Lawrence Ave., West, Toronto, Canada

(Limited)

I. an unincorporated organization or association which is not a partnership, furnish the full name of each "managing agent" of such organization or association and the residence address of each such person who does not reside within the United States: (See definition of "managing agent" on last page.)

Not applicable

Does any person not named in Items 2 to 5, inclusive, directly or indirectly control the business of registrant?

Yes No

☐ ☒

If so, furnish the full name and business address of each such person and the residence address of any such person who does not reside in the United States:

For each individual named in Items 2 to 6, inclusive, attach "Answer to Item 7" showing all connections within the past ten years with any broker or dealer other than the registrant or any predecessor, and the nature and period of each such connection.

None applicable

8. State whether the registrant, any person named in Items 2 to 6 inclusive, any salesman or other employee, or any other person directly or indirectly controlling or controlled by registrant:

(a) Has been convicted, within ten years, of any felony or misdemeanor involving the purchase or sale of any security or arising out of the conduct of the business of a broker or dealer. Yes No
☐ ☒
 If so, furnish the following information:

Full name of person	Position with Registrant	Name and location of court and date of conviction
---------------------	--------------------------	---

(b) Is permanently or temporarily enjoined from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security: Yes No
☐ ☒
 If so, furnish the following information:

Full name of person	Position with Registrant	Title of action, name and location of court, and date of judgment
---------------------	--------------------------	---

(c) Has been found by the Commission to have violated any provision of the Securities Act of 1933 or the Securities Exchange Act of 1934, or any rule or regulation under either of said Acts. Yes No
☐ ☒
 If so, furnish the following information:

Full name of person	Position with Registrant	Title of Action
---------------------	--------------------------	-----------------

9. Registrant consents that notice of any proceeding before the Commission in connection with the application or with registration thereunder may be given by sending notice by registered mail or confirmed telegram to the person named below, at the address given:

Name: Brinsmade & Schafrann

Address: 20 Pine Street, New York 5, N.Y.

THIS FORM SHOULD BE EXECUTED BY THE REGISTRANT (see definitions) EXCEPT WHERE B
ON PAGE 1 HAS BEEN CHECKED (in which case it should be executed by the broker-
dealer predecessor making an application for registration on behalf of a successor
broker-dealer to be formed or organized.)

All statements contained herein are true and correct to the best knowledge and be-
lief of the persons executing this form.

Dated at New York, N.Y. the 11th day of May, 1956.

(For sole proprietor) _____

(Proprietor)

(For partnership or other

J. H. Crang & Co.

unincorporated organization)

(Name of Partnership, etc.)

By J. H. Crang

(General Partner)

(Managing Agent)

(For corporation) _____

(Name of Corporation)

By _____

(Official title) _____

(Must be a principal officer)

U.S. SECURITIES & EXCHANGE COMMISSION

RECEIVED

MAY 15 1956

4TH FLR.
DOCKET, MAIL

8-5164 orig.

June 5, 1956

AIR MAIL

J. H. Crang & Co. :
40 Adelaide Street, W.
Toronto, Ontario

Re: File Number 8-5164

Dear Sirs:

You are hereby notified that your registration with this Commission as a broker and/or dealer, pursuant to Section 15(b) of the Securities Exchange Act of 1934, became effective June 5, 1956.

REGISTRATION DOES NOT MEAN THAT THE COMMISSION HAS IN ANY WAY PASSED UPON THE FINANCIAL STANDING, FITNESS, OR CONDUCT OF ANY BROKER OR DEALER, OR UPON THE MERITS OF ANY SECURITY OFFERED BY ANY BROKER OR DEALER, OR UPON ANY OTHER MATTER RELATING TO THE BUSINESS OF ANY BROKER OR DEALER.

Many states have laws with which brokers and dealers must comply before they may lawfully transact business in those states. Registration with this Commission does not mean that you may transact business in those states without complying with such laws.

Again we direct your attention to the General Rules and Regulations promulgated under the Securities Exchange Act, a copy of which we have previously sent you.

We call particular attention to Rule X-17A-5 which requires every registered broker or dealer to file during each calendar year a report of his financial condition.

Yours very truly,

Philip A. Loomis, Jr.
Director

W. H. L.
cc: Brinsmade & Schaffman, Attorneys
20 Pine Street
New York 5, N. Y.

cc: Ontario Sec. Comm.
Ohio Sec. Comm.
Penna. Sec. Comm.

ONLY COPY AVAILABLE

Revised December 9, 1958

FORM 8-M

THIS FORM SHALL BE FILED IN DUPLICATE ORIGINAL

SECURITIES AND EXCHANGE COMMISSION
Washington 25, D. C.

IRREVOCABLE APPOINTMENT OF AGENT FOR SERVICE OF PROCESS,
PLEADINGS AND OTHER PAPERS BY CORPORATION*NON-RESIDENT
BROKER OR DEALER

1. The J. H. Crang & Co. Limited,
(Name of corporation)
a corporation incorporated under the laws of the Province of Ontario
(Name of jurisdiction under whose laws
corporation was organized), and having its principal place of business at
20 King Street, West, Toronto 105, Ontario, hereby designates
(Address in full)
and appoints, without power of revocation, the United States Securities and Exchange Commission as the agent of said corporation upon whom may be served all process, pleadings, and other papers in any civil suit or action brought against it in any appropriate court in any place subject to the jurisdiction of the United States, with respect to any cause of action which (a) accrues during the period beginning when its registration as a broker or dealer becomes effective pursuant to Section 15 of the Securities Exchange Act of 1934 and the rules and regulations thereunder and ending either when such registration is cancelled or revoked, or when the Commission receives a notice to withdraw from such registration, whichever is earlier, (b) arises out of any activity, in any place subject to the jurisdiction of the United States, occurring in connection with the conduct of business of said corporation as a broker or dealer, and (c) is founded, directly or indirectly, upon the provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, the Investment Advisers Act of 1940, or any rule or regulation under any of said Acts; and

2. Said corporation, J.H. Crang & Co. Limited,

(Name of corporation)

hereby consents, stipulates and agrees, without power of revocation, (a) that any such civil suit or action may be commenced against it by the service of process upon the Commission and the forwarding by the Commission of a copy thereof by registered mail to it at the last address of record filed by it with the Commission, (b) that all service of process, pleadings, or other papers upon the Commission and the forwarding of a copy thereof by registered mail to it at the last address of record filed by it with the Commission shall be taken and held in all courts to be as valid and binding as if due personal service had been made upon it, and (c) that service upon the Commission may be effected by delivering copies of said process, pleadings or other papers to the Secretary of the Commission or to any other person designated by the Commission for such purpose, and that the certificate of the Secretary of the Commission or of such other person reciting that said process, pleadings or other papers were received by the Commission and that a copy thereof was forwarded to said corporation at the last address of record filed by it with the Commission shall constitute evidence of such service upon it.

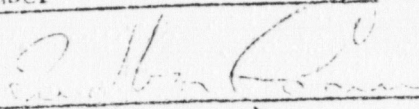
IN WITNESS WHEREOF, the President and Secretary of said corporation
J. H. Crang & Co. Limited, by the authority

(Name of corporation)

and direction of the Board of Directors of said corporation, have executed this irrevocable power of attorney, consent, stipulation and agreement for and on behalf

of said corporation at Toronto, Ontario, this 4th day of
September A. D., 1970.

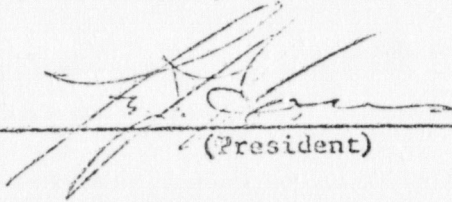
Attest


(Secretary)J. H. Crang & Co. Limited

(Corporate name)

(Corporate Seal)

By


(President)

NOTE: The persons executing this irrevocable power of attorney, consent, stipulation and agreement should appear before a person authorized to administer acknowledgments in the jurisdiction in which it is executed and acknowledge that they executed it on behalf of said corporation as its free and voluntary act. The acknowledgment should be in the form prescribed by the law of the jurisdiction in which it is executed. The form of acknowledgment suggested below should be used only if it is consistent with the requirements of the law of such jurisdiction.

The failure of any acknowledgment to meet applicable requirements shall not affect the validity or effect of the foregoing irrevocable power of attorney, consent, stipulation and agreement.

Province (or State) of Ontario)
County of York) ss.

I, James Douglas Sharples, a Notary Public, in and for (said County in) person administering acknowledgment) the Province (or State) aforesaid, do hereby certify that Murray J. Howe

President, and Fred V. McCann personally appeared before me this day, stated that they are respectively the president and secretary of the J. H. Craig & Co. Limited, that they

are the same persons named in the foregoing instrument as the president and secretary of said corporation, that they have been duly authorized to execute said instrument for the corporation, and that they signed and sealed said instrument for and on behalf of said corporation as its free and voluntary act for the uses and purposes therein set forth.

Given under my hand and seal this 11th day of September A. D., 1948.

(Seal)

(Name of Official)

My commission (or office) expires:

(Official position)

(Date)

*This form should be appropriately revised for use by a broker-dealer which is an unincorporated organization or association other than a partnership.

FORM BD

(Revised: 9-1-68)
Page 1.APPLICATION FOR REGISTRATION AS A BROKER-DEALER OR
TO AMEND SUCH AN APPLICATION UNDER THE SECURITIES
EXCHANGE ACT OF 1934

SECURITIES AND EXCHANGE COMMISSION • WASHINGTON, D.C. 20549

SEC USE 1

FILE NO.

8-

DOC. SEQ. NO.

(Read instruction sheet before preparing Form. Please print or type)

1. (a) If this is an APPLICATION for registration, check here, ☒ and complete all items in full.
 (b) If this is an AMENDMENT to an Application, check here, ☐ and specify below all parts which are amended.
- Item(s) _____ of Page 1 of Form BD Schedule A _____ Schedule B _____
 Item(s) _____ of Page 2 of Form BD
 Item(s) _____ of Page 3 of Form BD Schedule C _____ Schedule D _____ Schedule E _____

2. Full name of Applicant or Registrant: (If individual, state last, first, middle name)

IRS Empl. Ident. No.

J. H. Crang & Co. Limited

3. Name under which business is conducted, if different:

N/A

4. If name of business is hereby amended, state previous name here:

N/A

5. Address of principal place of business: (Do not use P.O. Box Number)

20 King Street West

Toronto 1,

Ontario

Canada

No. and Street

City

State

ZIP Code

6. Mailing Address, if different:

N/A

7. Is Applicant taking over all or substantially all of the assets and liabilities and continuing the business of a registered broker-dealer?

Yes ☒ No ☐

If "yes" state:

(a) Date of succession: September 1, 1970

(b) Date of the last Form X-17A-5 report pursuant to Rule 17a-5

under the Securities Exchange Act filed by the predecessor: March 31, 1970

(c) Full name and IRS Empl. Ident. No. of predecessor:

J. H. Crang & Co. (your file #8-5164)

8. Applicant or Registrant consents that the notice of any proceeding before the Commission in connection with its application for or registration as a broker-dealer may be given by sending notice by registered or certified mail or confirmed telegram to the person named below, at the address given.

Dunlap

David

Montgomery

(Last name)

(First name)

(Middle name)

J. H. Crang & Co. Limited, 20 King St. West,

(Number and street)

Toronto

Ontario

Canada

(City)

(State)

(ZIP Code)

9. EXECUTION: The Applicant or Registrant submitting this Form and its attachments and the person by whom it is executed represent hereby that all information contained therein is true, current and complete. It is understood that all required items and Schedules are considered integral parts of this form and that the submission of any amendment represents that all unamended items and Schedules remain true, current and complete as previously submitted.

Dated the 17th day of September 1970

J. H. Crang & Co. Limited

(Name of Corporation, Partnership or other organization)

M.J. Howe, President.

(Manual signature of Sole Proprietor, General Partner, Managing Agent or Principal Officer)

President

(Title)

ATTENTION—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78ff (a))

(All items on this page must be answered in full.)

REC'D - SEC

DO NOT WRITE BELOW THIS LINE—FOR SEC USE

SEP 28 1970

Schedule A of FORM BD

(Answers in response to ITEM 12(c) of FORM BD.)

File No. 8-			IRS Empl. Ident. No.		
SEC USE					
Status	S.P.C.O.	Rel.	D.S. Subst. 03	Trans. Code	Ch. Seq. A0
Doc. Seq. Number			Date		State Code

I. Full name of Applicant or Registrant exactly as stated in Item 2 of Form BD:
J. H. Crang & Co. Limited

II. Name under which business is conducted if different:
N/A

III. Complete and mark appropriate columns for (a) officers, directors and persons with similar status or functions and (b) any other person who is directly or indirectly the beneficial owner of authorized shares of any class of equity security of applicant or registrant. Place an asterisk (*) after the name of the person for whom a change in title, status or stock ownership is being reported. Place a double asterisk (**) after the names of persons which are ADDED to those furnished in the most recent previous filing.

FULL NAME			RELATIONSHIP		SEC USE	Canada SOCIAL SECURITY NUMBER	% of OWNERSHIP					CLASS	SEC USE	
			BEGINNING DATE				TITLE OR STATUS	From 0 To 10	Above 10 To 25	Above 25 To 50	Above 50 To 75			Above 75 To 100
			Mo.	Yr.										
Last	First	Middle												
Crang	James	Harold	July	29	Chairman	01	407-024-207				X		Prd. & Con.	
Howe	Murray	Joseph	Dec.	58	Pres.	02	407-024-504	X					"	
Dunlap	David	Montgomery	Feb.	62	Vice-Pr.	03	417-264-512	X					"	
McCann	Fred	Vernon	June	64	Secty.	04	412-029-309	X					"	
Price	James	Alfred	Aug.	69	Treas.	05	419-575-147	nil					nil	
Scott	Eric	Duff	May	38	Director	06	407-025-154	X					Prd. & Con.	
FitzGerald	Dennis	Algernon	Feb.	47	Director	07	407-024-298	X					"	
Bradshaw	James	William	Jan.	65	Director	08	401-097-605	X					"	
Sims	Owen	Anthony Haig	Jan.	55	Director	09	407-025-170	X					"	
Best	Peter	Charles Douglas	Nov.	68	Director	10	410-108-070	X					"	
Robert	Paul	Frederick	Oct.	49	Director	11	407-025-089	X					"	
Crang, Jr.	James	Harold	Sept.	70	Shareholder	12		X					"	
						13								
						14								
						15								
						16								

IV. List below names reported in the most recent previous filing pursuant to this Item which are DELETED hereby:

Last	FULL NAME First Middle		ENDING DATE Mo. Yr.		SOCIAL SECURITY NUMBER	Date as stated in ITEM 9 of FORM BD accompanying this Schedule.

407-3.3.00
SEP 2 8 1970

If any item on this page is amended, you must answer in full all other items on this page and file with a completed and executed page one.

Schedule D of FORM BD

(Answers in response to ITEM 17 of FORM BD.)

SEC USE	
FILE NO. 8-	DOC. SEQ. NO.

I. Full name of Applicant or Registrant exactly as stated in Item 2 of Form BD:
J. H. Crang & Co. Limited

IRS Empl. Ident. No.

II. Full name of person for whom this Schedule is being completed:
Peter Charles Douglas Best

IRS Empl. Soc. Ins. No.
Ident. No. or (Canada)
Soc. Sec. No. 410-108-070

SEC USE

III. Resident address of person: (Number and Street, City, State, ZIP Code)
R. R. #1, King, Ontario. (P.O.Box 113, King City, Ontario)

Date of Birth
Apr. 17 1919
Mo. Day Yr.

IV. NAMES USED: Furnish below a list of all names individual has been known by or has used including maiden name if married (Last name, first name, middle name). If no other names used, state "None."

FULL NAME		
Last	First	Middle
none		

SEC USE		

V. EDUCATION: Furnish below a description of the education for the person named in Part II of this Schedule (include name and location of last high school attended, name and location of any college or university attended, degree received and year it was received.)

Wanstead High School, Essex, England.

Framlingham College, Suffolk, England - no degree

VI. BUSINESS BACKGROUND. Furnish below a complete, consecutive statement of all business experience and employment for the past ten years. List the last position first. If none, state "None."

NAME OF FIRM AND ADDRESS	KIND OF BUSINESS	EXACT NATURE OF CONNECTION OR EMPLOYMENT	BEGINNING DATE		ENDING DATE	
			Mo.	Yr.	Mo.	Yr.
J. H. Crang & Co., Toronto.	Stock brokers and dealers	Partner	Nov	68		
Doherty Roadhouse & McCuaig, Toronto, Ontario.	Stock brokers and dealers	Research Manager	Feb.	64	Nov	68
H.C. Andrae & Co., Toronto.	Investment Counsel	Research Dept.	July	63	Jan	64
Barns Bros. & Denton Ltd., Toronto, Ontario.	Stock brokers and dealers	Research Dept.	Oct	61	May	63
Watt & Watt, Toronto, Ontario.	Stock brokers and dealers	Research Dept.	June	59	Sept	61

VII. PROCEEDINGS: If any answer to any paragraph of Item 16 is "Yes" with respect to the person for whom this Schedule is being completed, furnish the following details.

Applicable Paragraph of Item 16	TITLE OR DESCRIPTION OF ACTION	NAME AND LOCATION OF COURT, AGENCY, ASSOCIATION OR EXCHANGE	NATURE AND DATE OF DISPOSITION OF PROCEEDING	Date as stated in ITEM 9 of FORM BD accompanying this Schedule.

REC'D-3.E.C.
SEP 2 8 1970

If any item on this page is amended, you must answer in full all other items on this page and file with a completed and executed page one.

ORIG: 8-16134-1



DIVISION OF
TRADING AND MARKETS

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

OCT 29 1970

J. H. CRANG & CO., LIMITED -C
20 King Street West
Toronto 1, Ontario, Canada
File No. 8-16134

Re: File Number
Effective: OCT 28 1970

Registrant:

The effective date of your registration with this Commission as a broker and/or dealer, pursuant to Section 15(b) of the Securities Exchange Act of 1934, is shown above.

Many states have laws with which brokers and dealers must comply before they may lawfully transact business in those states. Registration with this Commission does not mean that you may transact business in those states without complying with such laws.

Again we direct your attention to the General Rules and Regulations promulgated under the Securities Exchange Act. We call particular attention to Rule 17a-5, a copy of which is enclosed for your ready reference. Please note that reports of financial condition required by this rule must be filed with the appropriate regional office of the Commission. Reports of financial condition of brokers and dealers who do not reside in the United States must be filed with the Securities and Exchange Commission, Washington, D. C. 20549. The report filed with your application for registration does not constitute a filing pursuant to Rule 17a-5.

Very truly yours,

cc:
Jerome Siegan, Esquire
Stamper & Naft
140 East 90th Street
New York, New York 10021

Henrietta H. Gandy
HENRIETTA H. GANDY, Chief
Section of Broker-Dealer and
Investment Adviser Registration

Enclosure

Received ² copies of the within
Brief of the Plaintiff Appellant
this 13 day of Feb, 1975.

Sign *Robert D. Minix*
Willkie Farr & Gallagher
For: _____ Esq(s).

Att'ys for *Appellee J. H. Crang & Co*

